



COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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October 4, 1991

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To: Supervisor Edmund D. Edelman
Third District

From: Daniel O. Ikemoto
Auditor-Controller

Subject: Special Investigations Unit History

The following is a brief summary on the history of the Special Investigations Unit which you requested.

On June 11, 1974, the Board of Supervisors requested the Citizens Economy and Efficiency Commission (E & E Commission) review a proposal by Supervisor James Hayes that a special investigative unit be established under direction of the Board. Up to this time the County did not have a separate and independent body to investigate and report on matters referred directly by the Board, Department Heads or concerned citizens. Supervisor Baxter Ward had made a similar proposal in April 1973. On July 2, 1974, the E & E Commission issued a report agreeing with the proposal.

On October 29, 1974, the Board of Supervisors adopted a motion of Supervisor Hayes calling for the establishment of an investigative unit within the Chief Administrative Office (CAO). On November 22, 1974, the CAO reported to the Board on its plan for the formation of such a unit, which was to be made up of investigative, audit and project evaluation teams. In the interest in efficiency and economy and later Proposition 13, the unit eventually had only the investigative team with the audit function being performed by the Auditor-Controller and the project evaluation function performed by other divisions of the CAO when required. This division investigated allegations of personnel misconduct, procedural irregularities, improper services or benefits provided to the public and other matters referred directly by the Board collectively or individually.

On October 1, 1988 the Auditor-Controller established the Employee Fraud Hotline under the sponsorship of Supervisor Michael Antonovich. The purpose of the Hotline is to allow employees to anonymously report suspected fraudulent or inappropriate activity involving County employees and vendors.

The Auditor-Controller then consolidated fraud investigations into one unit primarily investigating theft and misappropriation of assets.

On September 1, 1990 the Special Investigation Division of the Chief Administrative Officer, the Employee Fraud Hotline and the fraud investigative function of the Auditor-Controller were merged into a new Special Investigations Unit under the Auditor-Controller.

With the expertise of the staff in these now combined functions SIU currently investigates wrongdoing in County government by employees, vendors and management. The following are types of allegations investigated: theft, embezzlement, work hour abuse, misappropriation of resources, substance abuse, nepotism, favoritism, conflict of interest and personnel improprieties. Referral to law enforcement is made when appropriate in accordance with Board policy.

Recommendations for corrective action and discipline are made to the director or department head of the involved department when the investigation is completed.

On November 17, 1987 the Board instructed the CAO, Sheriff, County Counsel and Auditor-Controller to develop a detailed guideline for handling suspected employee theft. The Office of the District Attorney was also involved. Those guidelines, promulgated in December 1987, are currently in the process of being revised. We anticipate that these revised guidelines will be submitted to each department by November.

Should you have further questions regarding this matter please let me know or you may contact Michael Galindo, Assistant-Auditor Controller at 974-0301.

DOI:MLG
MR:JMS

*The guidelines actually
came out in Dec. 92.*



Guidelines for Handling the Investigation and Reporting of Employee Misconduct

AUDITOR-CONTROLLER

December 1992

Investigation and Reporting of Employee Misconduct

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Law Enforcement Agencies (Sheriff/District Attorney)

The Sheriff Department's Office of Professional and Ethical Standards or the District Attorney's Special Investigations Division will usually be the units called upon to investigate any suspected criminal matter. Each of these agencies has skilled staff with experience in conducting investigations involving County employees, programs and procedures.

By order of the Board of Supervisors, all suspected criminal activity must be referred to the Auditor-Controller and/or appropriate law enforcement agencies. The District Attorney, Sheriff and Auditor-Controller have agreed that **ALL** referrals of suspected criminal activity by employees or vendors are to be initially submitted to the Auditor-Controller Special Investigations Unit (SIU). This approach will simplify reporting procedures and eliminate duplication and confusion on which agency to contact. SIU will initiate contact with these agencies when appropriate. **NO** County employee other than the Auditor-Controller or law enforcement agencies may conduct criminal investigations.

Under certain circumstances the Sheriff, District Attorney or SIU may request that a department work with the local law enforcement agency or city attorney's office. In these instances the department is responsible for keeping SIU staff advised on the status of the investigation.